

Communications—CK, Bonneville Power Administration, 905 N.E. 11th Ave, P.O. Box 12999, Portland, Oregon 97212

Petitions to intervene should be filed by 9 a.m. February 13, 1995. Persons intervening in the power and transmission rate case who also desire to intervene in this proceeding may file a single petition to intervene which specifically identifies both proceedings. Petitions to intervene should be addressed as follows: Hearing Officer, c/o Francis (Jamie) Troy, Hearing Clerk—LQ, Bonneville Power Administration, 905 N.E. 11th Ave., P.O. Box 12999, Portland, Oregon 97212.

In addition, persons intervening in the rate case must serve a copy of the petition on: Janet L. Prewitt, Office of Legal Services—LQ, Bonneville Power Administration, 905 N.E. 11th Ave., P.O. Box 3621, Portland, OR 97208.

Interventions in this proceeding must be served concurrently on: Stephen Larson, Office of Legal Services—LP, 905 N.E. 11th Ave., P.O. Box 3621, Portland, Oregon 97208.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Hansen, Public Involvement and Information Specialist, at the address listed above, (503) 230-4328 or call toll-free 1-800-622-4519.

Information also may be obtained from: Mr. Steve Hickok, Group Vice President, Sales and Customer Service, P.O. Box 3621, Portland, OR, 97232 (503) 230-5356.

Mr. George Eskridge, Manager, SE Sales and Customer Service District, 1101 W. River, Suite 250, Boise, ID 83702, (208) 334-9137.

Mr. Ken Hustad, Manager, NE Sales and Customer Service District, Crescent Court, Suite 500, 707 Main, Spokane, WA 99201, (509) 353-2518.

Ms. Ruth Bennett, Manager, SW Sales and Customer Service District, 703 Broadway, Vancouver, WA 98660, (360) 418-8600.

Ms. Marg Nelson, Manager, NW Sales and Customer Service District, Suite 400, 201 Queen Anne Ave. N., Seattle, WA 98109-1030, (206) 216-4272.

Responsible Official: Mr. Dennis Metcalf, BPA Transmission Team Lead, is the responsible official for the development of BPA's transmission terms and conditions.

SUPPLEMENTARY INFORMATION:

I. Background

Pursuant to this notice, BPA is initiating a regional hearing process on proposed transmission services terms and conditions. BPA is proposing to establish terms and conditions of

general applicability for certain transmission services comparable to the uses Bonneville provides itself over the integrated network transmission system of the FCRTS. These proposed terms and conditions for comparable services are intended to: (1) respond to customer requests in the context of the renegotiation of BPA's power sales contracts that Bonneville eliminate its transmission-based market power, (2) with respect to network transmission services, comply with the Commission's requirement that members of regional transmission associations develop and publish tariffs meeting the Commission's comparability standards; and (3) facilitate an opportunity for FERC to review the rates for these services, which BPA will file as meeting the just, reasonable, and not unduly discriminatory or preferential standard in the context of the associated contractual terms and conditions. Though BPA and its customers have not yet concluded their discussions regarding what constitutes comparable access to the Federal transmission system, nevertheless BPA is now initiating this proceeding in order to place it on the same initial schedule as the related transmission rate case, also being noticed today. It is likely that discussions will continue before and during this proceeding, consistent with ex parte rules, in an attempt to settle outstanding issues.

The Federal Power Act amendments passed by Congress in the Energy Policy Act of 1992, Pub. L. No. 102-486, 106 Stat. 2776 (1992), provide that BPA may institute a formal regional hearing on transmission terms and conditions which it proposes to establish for general applicability. 16 U.S.C. § 824k(i)(2). This hearing is in some important respects different in function from BPA's rate case proceedings under section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i). If BPA elects to institute a transmission terms and conditions hearing, the agency must (1) give notice in the Federal Register and state in such notice the reasons why the terms and conditions are being offered, and (2) adhere to the procedural requirements of paragraphs (1) through (3) of section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i)(1)-(3), except that the Hearing Officer shall make findings and conclusions on material issues of fact, law or discretion presented on the record and make a recommended decision to the BPA Administrator. The Administrator then must make a separate determination, based on the hearing record, the Hearing Officer's recommendation, and

applicable law, setting forth the reasons for reaching any findings and conclusions different from those of the hearing officer. Pursuant to BPA's statutory requirements, the rates associated with these terms and conditions will be the subject of a formal hearing, also noticed today, established by BPA under section 7(i) of the Northwest Power Act. The extent to which the schedules for these two related hearings will be merged will be determined at the prehearing conference on February 13, 1995.

BPA will be proposing comparable network transmission tariffs based on similar tariff documents recently developed by the litigation staff of the Federal Energy Regulatory Commission (hereafter "Commission"). Proposed commitments and requirements will be described for: (1) integrated network service pursuant to which an entity may use the integrated network transmission system of the FCRTS flexibly to meet its network loads on a basis equal to BPA's native load obligations; (2) a flexible, multiple point-to-point firm transmission service over the integrated network transmission system of the FCRTS and available to serve network loads as well as off-system sales; and (3) nonfirm point-to-point transmission service over the integrated network transmission system of the FCRTS. The proposed tariffs will be published in a separate **Federal Register** Notice on or about February 13, 1995. The tariffs also will be mailed to BPA's customers, 1993 rate case parties and other interested persons, and will be available from BPA's Public Information Center on or about February 9, 1995.

Because of the complexity of the issues in this proceeding and the related rate case, in part occasioned by continuing contract negotiations between BPA and its customers together with BPA's reinvention and its Competitiveness Project, BPA anticipates that it will need to meet with customers and other interested third parties on a very frequent, and possibly extended, basis. To comport with the procedural rule prohibiting ex parte communications, BPA will provide necessary notice of meetings involving issues related to transmission terms and conditions of general applicability for participation by all parties to the proceeding. Parties should be aware, however, that such meetings may be held on very short notice. In the interim prior to the prehearing conference, persons who would like notice of such meetings should provide their name, address, phone and fax numbers to: Ms. Janet L. Prewitt, Office of General Counsel—LQ, Bonneville Power